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EXAMINER

FISCHER, ANDREW J

ART UNIT

PAPER NUMBER

3627

DATE MAILED: 03/04/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.  
09/630,595

Applicant(s)  
Rau et al

Examiner  
Andrew J. Fischer

Art Unit  
3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on Dec 5, 2002
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 26-40 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 26-40 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on Aug 1, 2000 is/are a) ☐ accepted or b) ☒ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some\* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 13 & 16 6) ☐ Other:

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## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A Request for Continued Examination ("RCE") under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114.

### ***Acknowledgments***

2. The amendment filed November 20, 2002 (Paper No. 15) is acknowledged. Accordingly, claims 26-40 remain pending.

### ***Drawings***

3. The corrected or substitute drawings were received on November 20, 2002 (Part of Paper No. 15). These drawings are approved by the Examiner.

4. The drawings are still objected to under 37 CFR 1.83(a). The drawings must show every feature of the invention specified in the claims. No new matter allowed. The following must be shown or the features canceled from the claim(s):

a. The "telephone card account" as recited in claim 35

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b. The “key chain, pager, watch, clothing key, [and] transaction card” as recited in claim 38.

A proposed drawing correction or corrected drawings are required in reply to this Office action to avoid abandonment of the application. The objections to the drawings will not be held in abeyance.

c. The Examiner notes the claims are replete with the above drawing errors. All method steps recited in claim 21-40 are clearly not shown in the drawings. The Examiner highly recommends Applicants review all the claims to ensure that every method step (and/or claimed feature) recited is shown in the drawings (and preferably in flow chart form). Additionally, a proposed drawing correction or corrected drawings are required in reply to this Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

***Claim Rejections - 35 USC § 101***

5. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6. Claims 28-30 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. In claims 28 and 29, the limitations of “first party” and “second party” may specifically limit the claim to particular people. A claim directed to or including within

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its scope human beings is not patentable subject matter.<sup>1</sup> See also MPEP §2105 and 1077 OG 24 (April 21, 1987). In this case, both the first and second parties could easily be humans.

***Claim Rejections - 35 USC § 112 2<sup>nd</sup> Paragraph***

7. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the Applicant regards as his invention.

8. Claims 26-40 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. The claims are replete with errors. Some examples follow:

a. In claim 26, the phrase “and a transaction for payment at a point of sale device” is unclear. Specifically, it is unclear if the “and” is modified by the “receiving” so the phrase would be interpreted to mean ‘and receiving a transaction for payment at a point of sale device’ or alternatively, the “and” is modifying the “upon presentation” which be interpreted to mean ‘upon presentation of a transaction for payment at a point of sale device.’

b. In claim 27, it is unclear if “an account table” is the same or different from the “account table” as recited in claim 26.

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<sup>1</sup> “If the broadest reasonable interpretation of the claimed invention as a whole encompasses a human being, then a rejection under 35 U.S.C. 101 must be made indicating that the claimed invention is directed to nonstatutory subject matter.” MPEP §2105.

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c. Claims 28-30 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. In claims 28 and 29, the limitations of “first party” and “second party” may specifically limit the claim to particular people. A claim directed to or including within its scope human beings is not patentable subject matter making the scope of the claim unclear. See MPEP §2105 and the §101 rejections above.

d. In claim 40, the phrase “permitting a transponder holder to register the financial account information to be linked” does not make grammatical sense. “A claim must be read in accordance with the precepts of English grammar.” *In re Hyatt*, 708 F.2d 712, 714, 218 USPQ 195, 197 (Fed. Cir. 1983).

### ***Claim Rejections - 35 USC § 103***

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 21-37 and 39, as understood by the Examiner, are rejected under 35 U.S.C. 103(a) as being unpatentable over Swartz et. al. (U.S. 5,923,735) (“Swartz”) in view of Zimmerman et. al. (U.S. 6,092,057) (“Zimmermann”). Swartz discloses receiving transponder identification

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information upon presentation of the transponder via a wireless, RF interface (inherent when the transponder establishes a cellular communications channel upon entering the store); the transaction information is received upon checkout; the point of sale device is located at a point of sale location (the checkout register located at the checkout location) and is associated with a second party (the checkout person); determining authorization (scanning the customer's ID) and communicating the authorization to the point of sale device (scanning the customer's ID at checkout); at least some financial account information is linked to at least some transponder identification information in one or more account tables of the customer or first party (inherent since the transponder is linked to a person and the customer's "transaction file" contains at least some financial information, the value of the goods the customer intends to purchase); and a network registration interface (inherent since the handheld device must register somehow with the store's computer network).

Swartz does not directly disclose how a payment is made. Zimmermann teaches that customers can pay for their purchases with their credit cards (See Background of the Invention). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Swartz as taught by Zimmermann to include a standard credit card authorization system in Swartz's terminal, or alternatively, the inventive Zimmermann system in Swartz's terminal. Such a modification would have disclosed the common practice of charging one's purchase using a credit card. Alternatively using Zimmermann system, the modification would have helped Swartz's system prevent theft.

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11. Claims 21-40, as understood by the Examiner, are alternatively rejected under 35 U.S.C. 103(a) as being unpatentable over Swartz in view of Ditzig et. al. (U.S. 5,617,474) ("Ditzig"). Swartz discloses as discussed above yet Swartz does not directly disclose how a payment is made. Ditzig teaches a handheld cellular device having a credit card swipe slot 76 to allow for standard credit card transactions. Additionally, because of text messaging, its inherent that cellular phones are pagers too.

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify Swartz as taught by Ditzig to include a credit card receiving slot in the terminal device. Such a modification would have allowed customers to pay for their goods with a standard credit card—a practice old and well known in the art. By placing the swipe slot within the handheld device, checkout would be faster since credit approval could be performed by the customer while waiting in the checkout line.

12. Claim 38, as understood by the Examiner, is rejected under 35 U.S.C. 103(a) as being unpatentable over Swartz/Zimmerman combination as noted above. The Swartz/Zimmerman combination does not directly disclose embedding a transponder in pager, watch, Furthermore, in response to the Examiner's §112 1<sup>st</sup> paragraph rejection, Applicants have now admitted that its old and well known in the art to embed a transponder in a key or transaction card.

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the Swartz/Zimmerman combination to include a pager in the device. Such a modification would have helped alert customers to particular sales items on the



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retail floor such as the former “Blue Light Specials” at Kmart. The store could page customers for pickup of prescriptions at an in-store pharmacy, alert customers to specials in particular departments, or simply to help direct traffic flow to open registers in a large store.

13. For clarity and due process purposes, the Examiner again notes that Applicants have declined the Examiner’s express invitation<sup>2</sup> to be their own lexicographer by indicating and defining claim limitations to have meanings other than their ordinary and accustomed meanings. As noted in the previous Office Action on the merits,<sup>3</sup> the presumption in favor of the ordinary and accustomed meaning is confirmed. Accordingly, the claims continue to be interpreted with their “broadest reasonable interpretation,” *In re Morris*, 127 F.3d 1048, 1054, 44 USPQ2d 1023, 1027 (Fed. Cir. 1997),<sup>4</sup> and the Examiner continues to rely heavily and extensively on this interpretation.<sup>5</sup> See e.g. *Transclean Corp. v. Bridgewood Servs., Inc.*, 290 F.3d 1364, 1381, 62 USPQ2d 1865, 1877 (Fed. Cir. 2002) (“Because the patentee has not chosen to be his own lexicographer in this instance, [the claimed element] should carry its ordinary meaning . . . .”)

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<sup>2</sup> See the Office Action mailed May 16, 2002, Paper No. 10, Paragraph No. 13.

<sup>3</sup> See the previous Office Action on the merits mailed August 29, 2002, Paper No. 12, Paragraph No. 12.

<sup>4</sup> See also MPEP §2111 and §2111.01; *In re Graves*, 69 F.3d 1147, 1152, 36 USPQ2d 1697, 1701 (Fed. Cir. 1995); *In re Etter*, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985) (en banc).

<sup>5</sup> See 37 C.F.R. §1.104(c)(3) which states in part: “the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . . [Emphasis added.]”

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(Clevenger, J. dissenting in part). Unless expressly noted otherwise by the Examiner, the preceding claim interpretation principles apply to all examined claims currently pending.

14. Functional recitations using the word “for” (e.g. “for payment at a point of sale device” as recited in claim 21) have been given less patentable weight because they fail to add any steps and are thereby regarded as intended use language. A recitation of the intended use of the claimed invention must result in additional steps. See *Bristol-Myers Squibb Co. v. Ben Venue Laboratories, Inc.*, 246 F.3d 1368, 1375-76, 58 USPQ2d 1508, 1513 (Fed. Cir. 2001) (Where the language in a method claim states only a purpose and intended result, the expression does not result in a manipulative difference in the steps of the claim.).

15. It is the Examiner’s factual determination that all claimed features in claims 21-40 are either disclosed or inherent in the references as discussed above. Furthermore, the inherent features are established by a preponderance of the evidence. *In re Epstein*, 32 F.3d 1559, 1564, 31 USPQ2d 1817, 1820 (Fed. Cir. 1994) (“Preponderance of the evidence is the standard that must be met by the PTO in making rejections.” (citations and quotations omitted)).

### ***Response to Arguments***

16. Applicants’ arguments with respect to the claims have been considered but are moot in view of the new grounds of rejection.

17. The Examiner notes that Applicants have expressly stated they intent to claim a process. Therefore, the §101 rejection on this matter is hereby withdrawn.

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18. Regarding the §112 1<sup>st</sup> paragraph rejections, Applicants argue that “embedding transponders in keys is old and well known in the art.” Applicants also argue “embedding of transponder in plastic cards substantially the shape and size of a credit or transaction cards is well known in the art.” As evidence of their position, Applicants cite Bolton (U.S. 5,308,542 B1) and Gunnarsson (U.S. 5,552,790) respectively. Because the Examiner adopts Applicants’ positions, the §112 1<sup>st</sup> paragraph rejections are hereby withdrawn.

a. Furthermore, the withdrawal of the §112 1<sup>st</sup> paragraph rejection is predicated upon the Examiner’s interpretation that Applicants’ response as an admission. The Examiner will rely upon Applicants’ admissions for prior art purposes.<sup>6</sup> Specifically, the withdrawal of the §112 1<sup>st</sup> paragraph rejection is predicated upon the Examiner’s interpretation that such missing elements are old and well known in the art and *not* that they would have been obvious to one of ordinary skill in the when viewed in light of Applicants’ specification. “Entitlement to a filing date does not extend to subject matter which is not disclosed, but would be obvious over what is expressly disclosed. It extends only to that which is disclosed.” *In re Huston*, 308 F.3d 1267, 1277, 64 USPQ2d 1801, 1807 (Fed. Cir. 2002) citing *Lockwood v. Am. Airlines Inc.*, 107 F.3d 1565, 1571-72, 41 USPQ2d 1961, 1966 (Fed. Cir. 1997).

b. The Examiner also notes that “or other items” does sufficiently disclose the claimed subgenus to remove the §112 1<sup>st</sup> paragraph rejections. Again, the Examiner will interpret

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<sup>6</sup> See 37 C.F.R. §1.104(c)(3) which states in part: “the examiner may rely upon admissions by applicant . . . as to *any matter* affecting patentability . . . . [Emphasis added.]”

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Applicants' statement as an admission and not as a disclosure of a genus to which a subgenus is claimed. To support his position, the Examiner notes the following.

In *In re Smith*, 458 F.2d 1389, 173 USPQ 679 (CCPA 1972), the ultimate issue turned on whether or not, for §112 1<sup>st</sup> paragraph purposes, the disclosure of a genus in the specification supported a claim drawn to particular species where that species was not disclosed in the specification. More specifically, the court stated:

The principal question involved is whether or not appellant is entitled under 35 U.S.C. 120 to the benefit of the filing date of his [earlier] application for the subject matter presently claimed. To comply with §120, the prior application must satisfy the *disclosure* requirements of the first paragraph of §112 with respect to the subject matter *now* claimed. [Emphasis in original]. 173 USPQ at 682-83.

The court rejected appellant's argument "that the disclosure of a genus and a species of a subgenus is a sufficient description of the subgenus." 173 USPQ at 683. The court also stated that "it cannot be said that such a subgenus is necessarily always implicitly described by a genus encompassing it and a species upon which it reads." *Id.*

In fact, the court rejected appellant's argument that such a holding is illogical and would result an anomaly. Appellant demonstrated this anomaly by arguing "that had he simply drawn his claims more broadly, he would have satisfied the requirements of §112." *Id.* Assuming the broader claims would have had descriptive support, the court agreed with this statement but nevertheless concluded that the claimed subgenus was not supported for §112 1<sup>st</sup> paragraph purposes.

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We see nothing inherently wrong with a particular principle of patentability which under certain circumstances operates to defeat the patentability of a narrow, but not a broader, claim, and, ordinarily, the mere fact that under such a principle a broader claim would pass muster is not a basis for adjusting the principle to render the narrower claim patentable. [Footnote omitted].” *Id.*

Finally, the fact that *Smith* involved priority under §120 is of little consequence since as noted above, priority in an original application is based upon §112 1<sup>st</sup> paragraph patentability concepts—not vice versa. The priority issue in *Smith* is secondary since *Smith* ultimately hinges on §112 1<sup>st</sup> paragraph principles. Those principles once decided, in turn, determine priority. To hold otherwise would simply place form over substance and needlessly obscure the true issues involved.

Therefore, an argument that a genius is disclosed in the specification (of the claimed subgenus) is not persuasive.

19. Applicants’ other arguments with respect to the claims have been considered but are moot in view of the new grounds of rejection. To the extent that some arguments still apply, the Examiner responds as follows:

20. Applicants argue “Swartz does not disclose link at least some transponder identification information with financial account information in an account table.” The Examiner respectfully disagrees. Swartz directly discloses linking the transponder to a particular customer.

Furthermore, Swartz also directly discloses storing a customer’s “transaction file” which includes “subtotal price” and other times (column 3, ~ lines 55-62). It is the Examiner’s position that the transaction file is account information in an account table.

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21. Furthermore, placing records of the scanned items into a transaction file located within the store computer system is registering account information.

### ***Conclusion***

22. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure includes the following:

23. All MPEP sections cited within are from the Manual of Patent Examining Procedure (MPEP) Eighth Edition, August 2001 unless expressly noted otherwise.

24. In accordance with the USPTO's goals of customer service, compact prosecution, and reduction of cycle time, the Examiner has made every effort to clarify his position regarding claim interpretation and any rejections or objections in this application. Furthermore, the Examiner has provided Applicants with notice—for due process purposes—of his position regarding his factual determinations and legal conclusions. If Applicants disagree with *any* factual determination or legal conclusion made by the Examiner in this Office Action whether expressly stated or implied,<sup>7</sup> the Examiner respectfully requests Applicants *in their next response* to expressly traverse the Examiner's position and provide appropriate arguments in support thereof. By addressing these issues now, matters where the Examiner and Applicants agree can be eliminated allowing the Examiner and Applicants to focus on areas of disagreement (if any) with the goal towards

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<sup>7</sup> E.g., if the Examiner rejected a claim under §103 with two references, although not directly stated, it is the Examiner's implied position that the references are analogous art.

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allowance in the shortest possible time. If Applicants have any questions regarding the Examiner's positions or have other questions regarding this communication or even previous communications, Applicants are strongly encouraged to contact Examiner Andrew J. Fischer whose telephone number is (703) 305-0292.

 1/31/03  
**ANDREW J. FISCHER**  
**PATENT EXAMINER**

AJF  
January 31, 2003